

## Pointers for a Good Faith Effort

- The objective of meeting subcontracting participation goals of 3% of the contract value may be expressed on the STD 840 in one of two ways, either as a percentage of the value of the bid or as a set dollar figure. More than one subcontractor may be utilized to add up to the 3% goal. See <http://www.pd.dgs.ca.gov/dvbe/default.htm>
- The required contacts with the bidding department and other State, Federal and Local Organizations must be documented. The DVBE Resource Packet (<http://www.documents.dgs.ca.gov/pd/smallbus/resource.pdf>) contains lists of such contacts.
  - Bids are most commonly rejected when a required contact is not documented.
- Whether a Good Faith Effort or full 3% participation is documented on the STD 840 form (<http://www.documents.dgs.ca.gov/pd/dvbe/dvbereg6.pdf>) the information for each subcontractor contact and each sub-contractor participant must be complete.
  - Bids have been rejected when only a company name was provided.
- Remember to list all responding DVBEs.
  - Bids have been rejected when valid responses were not given consideration.
- Invitations to Participate are written invitations. **Read Step 4 carefully** concerning copies of specific written invitation documents that must be submitted with the proposal.
  - Bids are frequently rejected when insufficient information was provided on the bidder's invitation to the subcontractor or the content of the invitation lacked one or more of the minimum requirements stated in this Step.
- The requirement to perform and the definition of a "Commercially Useful Function" is California Law.
  - Bidders have attempted to claim janitorial services and cleaning services as subcontractors. These were not deemed distinct elements of the contract being bid. The bid was rejected.
- The reason for not selecting a responding DVBE subcontractor must be a sound business decision and not capricious or arbitrary.
  - A bidder once added a \$5 million dollar insurance requirement for all subs when the contract was for reasonably low risk work. This was an onerous and unfair requirement that the bidder could not show was a normal business requirement imposed on this type contract. The bid was rejected.
- An estimated dollar amount or percentage of the contract value must be inserted whenever participation is claimed.
  - A bidder claimed to have participation but failed to indicate a specific amount of participation. The bidder felt the amount was flexible. The bid was rejected.

REFER TO THE CHECKLIST BEFORE SUBMITTING THE PROPOSAL. CONTACT THE OFFICE OF SMALL BUSINESS AND DVBE OUTREACH AT **800-559-5529** WITH ANY QUESTIONS CONCERNING THE PARTICIPATION PROGRAM REQUIREMENTS. NO CONTRACT CAN BE AWARDED AGAINST THIS BID WITHOUT MEETING THESE REQUIREMENTS.